

S&P Global BMI and Dow Jones Global Indices Consultation on Eligibility Criteria

MEXICO CITY, NOVEMBER 4, 2022: S&P Dow Jones Indices (“S&P DJI”) is conducting a consultation with market participants on potential changes to the S&P Global BMI and Dow Jones Global Indices.

In order to better represent a company’s local market characteristics in the indices, S&P DJI is proposing to align the index eligible listing with its country of domicile by considering the ‘local listing’ as the first eligible choice for inclusion in the S&P Global BMI and Dow Jones Global Indices. The table below summarizes the proposed changes.

Eligibility Criteria	
Current: S&P Global BMI Index	For those companies having depository receipts or shares listed on an exchange outside of the country of domicile (including inter-listed stocks), the eligible share class is generally the one that has the highest six-month liquidity as measured by median daily value traded (“MDVT”).
Current: Dow Jones Global Index	<p>Each company, including multinationals, is assigned to the country of its primary market listing, which typically is its country of incorporation. In some cases, such as where there is no readily accessible home equity market or where a company is domiciled in one country solely for tax or regulatory purposes but is headquartered in another country, the company may be included in the index universe for the country of its primary equity market.</p> <p>Eligible for selection are all equity securities that trade on the major exchanges of these countries, screened for share class and liquidity. For emerging countries with significant barriers to direct foreign investment, S&P Dow Jones Indices may opt to include issues directly listed on U.S. exchanges, Depository Receipts (DRs), and other types of offshore listings. The DR is used if the local listing does not satisfy the liquidity rules, but the DR does.</p>
Proposed: S&P Global BMI & Dow Jones Global Indices	<p>For companies having depository receipts or shares listed on an exchange outside of the country of domicile (including inter-listed stocks), the eligible share class is generally the one listed on the exchange in the country of domicile (local listing). For Chinese domiciled companies, a listing in Hong Kong will also be considered a ‘local listing’ for index inclusion purposes.</p> <p>If the local listing does not comply with the index eligibility rules, depository receipts and alternate listings that comply with the index eligibility criteria become eligible. Under this scenario, the following rules are applied to select the listing for index inclusion:</p> <ul style="list-style-type: none"> • The highest six-month trading liquidity as measured by MDVT. • Only listings on developed markets exchanges are eligible for companies classified in a developed country. • For companies classified in emerging countries, listings trading on developed and emerging markets are eligible. <p>Switches in non-local listings:</p> <ul style="list-style-type: none"> • When a non-local listing is part of the index, it will be switched for a local listing, providing that the local listing stock meets all index eligibility criteria, and an additional 2x median value traded ratio (MVTR) from the index threshold.¹ • When a company is represented in the index by its local listing, and the local listing fulfills the index criteria, a switch is not applicable in any case.

¹ See S&P Global BMI, S&P/IFCI Methodology, pp.6-7 for more information regarding the MVTR calculation.

IMPACT ANALYSIS

For information on the impact analysis of the proposed changes, please refer to the file available [here](#).

IMPLEMENTATION TIMING

S&P DJI is proposing to implement the previously described methodology changes, if adopted, in conjunction with the off-cycle March 2023 rebalancing of the S&P Global BMI and the Dow Jones Global Indices, which takes effect prior to the market open on **Monday, March 20, 2023**. The changes would first be visible to clients in pro-forma files beginning on **Friday March 3, 2023**. Regular share listings eligibility review would be expected to be conducted as part of the indices' annual reconstitutions effective as of the open of Monday following the third Friday in September.

QUESTIONS

Please answer the following questions and provide S&P DJI with the reasoning behind your answers:

1. **Do you agree with the proposal to modify the Global BMI Eligibility Criteria?**
 - **Yes, change as proposed by S&P DJI**
 - **Yes, change to a different scenario (please specify in Question 3 below)**
 - **No, keep the current methodology**
2. **Do you agree with the proposal to modify the Dow Jones Global Eligibility Criteria?**
 - **Yes, change as proposed by S&P DJI**
 - **Yes, change to a different scenario (please specify in Question 4 below)**
 - **No, keep the current methodology**
3. **Do you have any other comments or feedback regarding the proposed changes outlined above for the S&P Global BMI Index?**
4. **Do you have any other comments or feedback regarding the proposed changes outlined above for the Dow Jones Global Index?**
5. **Should the proposed methodology changes be adopted, do you agree with the proposed implementation date for the S&P Global BMI Index?**
6. **Should the proposed methodology changes be adopted, do you agree with the proposed implementation date for the Dow Jones Global Index?**

Your participation in this consultation is important as we gather information from various market participants to properly evaluate your views and preferences. Please respond to this survey by **December 2, 2022**. After this date, S&P DJI will no longer accept survey responses. Prior to the Index Committee's final review, S&P DJI may request clarifications from respondents as part of that review.

To participate in this consultation, please visit the online survey available [here](#).

For further information about this consultation, please contact S&P Dow Jones Indices at SPDJI_Index_Governance@spglobal.com.

Please be advised that all comments from this consultation will be reviewed and considered before a final decision is made; however, S&P DJI makes no guarantees or is under any obligation to comply with any of the responses. The survey may result in no changes or outcome of any kind. If S&P DJI decides to change the index methodology, an announcement will be posted on our website.

CONSULTATION

Thank you for taking the time to complete this survey.

For more information about S&P Dow Jones Indices, please visit www.spglobal.com/spdji.

ABOUT S&P DOW JONES INDICES

S&P Dow Jones Indices is the largest global resource for essential index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average®. More assets are invested in products based on our indices than products based on indices from any other provider in the world. Since Charles Dow invented the first index in 1884, S&P DJI has been innovating and developing indices across the spectrum of asset classes helping to define the way investors measure and trade the markets.

S&P Dow Jones Indices is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for individuals, companies and governments to make decisions with confidence. For more information, visit www.spglobal.com/spdji.

FOR MORE INFORMATION:

S&P Dow Jones Indices
index_services@spglobal.com